



February 22, 2006

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## ENGROSSED SENATE BILL No. 370

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DIGEST OF SB 370 (Updated February 15, 2006 6:18 pm - DI 96)

**Citations Affected:** IC 4-21.5; IC 4-23; IC 12-14; IC 20-30; IC 22-4; IC 22-4.1; IC 22-4.5; noncode.

**Synopsis:** Workforce development system. Requires the Indiana economic development corporation to establish a regional workforce system of not more than 11 regional workforce areas (area) with oversight by a regional workforce board (board). Establishes the criteria and selection process for board members. Renames the local boards "workforce investment boards", and provides that the duties of the regional workforce boards include providing support and guidance to workforce investment boards. Authorizes the boards to establish, using a competitive procurement process and with a workforce investment board's consent, agreements for support, oversight, and management services in the regional workforce area. Renames the state human resource investment council as the state workforce innovation council (council), and removes the requirement that the budget agency serve as the council's fiscal agent. Requires staggered terms for council members. Allows a member to participate in a meeting of the council by simultaneous communication under certain circumstances. Provides

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**Effective:** Upon passage.

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### Kruse, Lubbers, Delph, Howard

(HOUSE SPONSORS — TORR, BORROR)

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January 11, 2006, read first time and referred to Committee on Economic Development and Technology.

January 19, 2006, amended, reported favorably — Do Pass.

January 24, 2006, read second time, amended, ordered engrossed.

January 25, 2006, engrossed.

January 26, 2006, read third time, call withdrawn.

January 31, 2006, re-read third time, passed. Yeas 29, nays 20.

#### HOUSE ACTION

February 2, 2006, read first time and referred to Committee on Employment and Labor.

February 21, 2006, amended, reported — Do Pass. Yeas 50, nays 44.

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Digest Continued

that the council is subject to the allotment system administered by the budget agency and financial oversight by the office of management and budget. Renames workforce development centers the one stop centers, requires that the centers be certified by the council, and repeals a requirement that certain providers offer services at the centers and restrictions on center funding sources. Repeals provisions concerning: (1) financial assistance for job training; (2) the state plan; (3) the establishment of workforce investment areas; (4) the one stop system and one stop partners; (5) the powers and duties of regional board and one stop partners; and (6) fiscal authority for youth, adult, and dislocated worker funds under Title 1 of the Workforce Investment Act. Removes obsolete references.

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February 22, 2006

Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

## ENGROSSED SENATE BILL No. 370

A BILL FOR AN ACT to amend the Indiana Code concerning labor and safety.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 4-21.5-2-5, AS AMENDED BY P.L.4-2005,  
2 SECTION 19, P.L.229-2005, SECTION 1, AND P.L.235-2005,  
3 SECTION 60, IS CORRECTED AND AMENDED TO READ AS  
4 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. This article does  
5 not apply to the following agency actions:

6 (1) The issuance of a warrant or jeopardy warrant for the  
7 collection of taxes.

8 (2) A determination of probable cause or no probable cause by the  
9 civil rights commission.

10 (3) A determination in a factfinding conference of the civil rights  
11 commission.

12 (4) A personnel action, except review of a personnel action by the  
13 state employees appeals commission under IC 4-15-2 or a  
14 personnel action that is not covered by IC 4-15-2 but may be  
15 taken only for cause.

16 (5) A resolution, directive, or other action of any agency that  
17 relates solely to the internal policy, organization, or procedure of

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that agency or another agency and is not a licensing or enforcement action. Actions to which this exemption applies include the statutory obligations of an agency to approve or ratify an action of another agency.

(6) An agency action related to an offender within the jurisdiction of the department of correction.

(7) A decision of the Indiana economic development corporation, *the office of tourism development*, the department of environmental management, the tourist information and grant fund review committee **(before the repeal of the statute that created the tourist information and grant fund review committee)**, the Indiana ~~development~~ finance authority, the corporation for innovation development, or the lieutenant governor that concerns a grant, loan, bond, tax incentive, or financial guarantee.

(8) A decision to issue or not issue a complaint, summons, or similar accusation.

(9) A decision to initiate or not initiate an inspection, investigation, or other similar inquiry that will be conducted by the agency, another agency, a political subdivision, including a prosecuting attorney, a court, or another person.

(10) A decision concerning the conduct of an inspection, investigation, or other similar inquiry by an agency.

(11) The acquisition, leasing, or disposition of property or procurement of goods or services by contract.

(12) Determinations of the department of workforce development under IC 22-4-18-1(g)(1) ~~IC 22-4-40~~, or IC 22-4-41.

(13) A decision under IC 9-30-12 of the bureau of motor vehicles to suspend or revoke ~~the~~ a driver's license, a driver's permit, a vehicle title, or a vehicle registration of an individual who presents a dishonored check.

(14) An action of the department of financial institutions under IC 28-1-3.1 or a decision of the department of financial institutions to act under IC 28-1-3.1.

(15) A determination by the NVRA official under IC 3-7-11 concerning an alleged violation of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg) or IC 3-7.

(16) Imposition of a civil penalty under IC 4-20.5-6-8 if the rules of the Indiana department of administration provide an administrative appeals process.

SECTION 2. IC 4-23-20-3, AS AMENDED BY P.L.4-2005, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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UPON PASSAGE]: Sec. 3. The committee consists of at least six (6) members appointed by the governor and must include representatives of the following:

- (1) The Indiana economic development corporation.
- (2) The department of workforce development.
- (3) The division of disability, aging, and rehabilitative services.
- (4) The commission on vocational and technical education of the department of workforce development.
- (5) The state ~~human resource investment~~ **workforce innovation** council.
- (6) The department of education.

SECTION 3. IC 12-14-26-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. Each planning council shall submit its action plan to the state ~~human resource investment~~ **workforce innovation** council established under IC 22-4-18.1.

SECTION 4. IC 12-14-26-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. The state ~~human resource investment~~ **workforce innovation** council established under IC 22-4-18.1 shall:

- (1) assist each planning council as needed; and
- (2) coordinate the sharing of:
  - (A) the details of each action plan; and
  - (B) the details and results of each demonstration project; established under this chapter with planning councils throughout the state.

SECTION 5. IC 20-30-6-2, AS ADDED BY P.L.1-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) The department shall, in cooperation with the department of workforce development, implement the Indiana program of adult competency.

(b) The department may, with approval by the department of workforce development, do the following:

- (1) Use funds available under the ~~Job Training Partnership Act under 29 U.S.C. 1500 et seq.~~ **Workforce Investment Act (29 U.S.C. 2801 et seq.), including reauthorizations of the Act.**
- (2) Use funds available to the department of workforce development to implement the Indiana program of adult competency.

SECTION 6. IC 22-4-18-1, AS AMENDED BY P.L.1-2005, SECTION 184, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) There is created a

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department under IC 22-4.1-2-1 which shall be known as the department of workforce development.

(b) The department of workforce development may:

(1) Administer the unemployment insurance program, the Wagner-Peyser program, the Workforce Investment Act, ~~the Job Training Partnership Act program~~, including a free public labor exchange, and related federal and state employment and training programs as directed by the governor.

(2) Formulate and implement an employment and training plan as required by the Workforce Investment Act (29 U.S.C. 2801 et seq.), ~~the Job Training Partnership Act (29 U.S.C. 1501 et seq.)~~ **and including reauthorizations of the Act, and** the Wagner-Peyser Act (29 U.S.C. 49 et seq.).

(3) Coordinate activities with all state agencies and departments that either provide employment and training related services or operate appropriate resources or facilities, to maximize Indiana's efforts to provide employment opportunities for economically disadvantaged individuals, dislocated workers, and others with substantial barriers to employment.

(4) Apply for, receive, disburse, allocate, and account for all funds, grants, gifts, and contributions of money, property, labor, and other things of value from public and private sources, including grants from agencies and instrumentalities of the state and the federal government.

(5) Enter into agreements with the United States government that may be required as a condition of obtaining federal funds related to activities of the department.

(6) Enter into contracts or agreements and cooperate with local governmental units or corporations, including profit or nonprofit corporations, or combinations of units and corporations to carry out the duties of ~~this agency~~ **the department** imposed by this chapter, including contracts for the establishment and administration of employment and training offices and the delegation of ~~its~~ **the department's** administrative, monitoring, and program responsibilities and duties set forth in this article. ~~Before executing contracts described by this subdivision, the department shall give preferential consideration to using departmental personnel for the provision of services through local public employment and training offices. Contracting of Wagner-Peyser services is prohibited where state employees are laid off due to the diversion of Wagner-Peyser funds.~~

(7) Perform other services and activities that are specified in

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contracts for payments or reimbursement of the costs made with the Secretary of Labor, ~~or with~~ any federal, state, or local public agency or administrative entity, **or a private for-profit or nonprofit organization** under the Workforce Investment Act (29 U.S.C. 2801 et seq.), ~~the Job Training Partnership Act (29 U.S.C. 1501 et seq.)~~ or private nonprofit organization: **including reauthorizations of the Act.**

(8) Enter into contracts or agreements and cooperate with entities that provide vocational education to carry out the duties imposed by this chapter.

(c) ~~The department of workforce development may not enter into contracts for the delivery of services to claimants or employers under the unemployment insurance program. The payment of unemployment compensation insurance benefits must be made in accordance with 26 U.S.C. 3304.~~

(d) The department of workforce development may do all acts and things necessary or proper to carry out the powers expressly granted under this article, including the adoption of rules under IC 4-22-2.

(e) The department of workforce development may not charge any claimant for benefits for providing services under this article, except as provided in IC 22-4-17-12.

(f) The department of workforce development shall distribute federal funds made available for employment training in accordance with:

(1) 29 U.S.C. 2801 et seq., ~~29 U.S.C. 1501 et seq.~~ **including reauthorizations of the Act**, and other applicable federal laws; and

(2) the plan prepared by the department under subsection (g)(1). ~~However, the Indiana commission on vocational and technical education within the department of workforce development shall distribute federal funds received under 29 U.S.C. 1533.~~

(g) In addition to the duties prescribed in subsections (a) through (f), the department of workforce development shall do the following:

(1) Implement to the best of its ability its employment training programs ~~(as defined in IC 22-4.1-13-3)~~ **and** the comprehensive vocational education program in Indiana developed under the long range plan under ~~IC 22-4.1-13-9 and the skills 2016 training program established under IC 22-4-10.5.~~ **IC 22-4.1-13.**

(2) Upon request of the budget director, prepare a legislative budget request for state and federal funds for employment training. The budget director shall determine the period to be covered by the budget request.

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(3) Evaluate its programs according to criteria established by the Indiana commission on vocational and technical education within the department of workforce development under ~~IC 22-4.1-13-13~~. **IC 22-4.1-13.**

(4) Make or cause to be made studies of the needs for various types of programs that are related to employment training and authorized under the Workforce Investment Act, ~~and the Job Training Partnership Act~~ **including reauthorizations of the Act.**

(5) Distribute state funds made available for employment training that have been appropriated by the general assembly in accordance with:

(A) the general assembly appropriation; and

(B) the plan prepared by the department under subdivision (1).

(6) Establish, implement, and maintain a training program in the nature and dynamics of domestic and family violence for training of all employees of the department who interact with a claimant for benefits to determine whether the claim of the individual for unemployment benefits is valid and to determine that employment separations stemming from domestic or family violence are reliably screened, identified, and adjudicated and that victims of domestic or family violence are able to take advantage of the full range of job services provided by the department. The training presenters shall include domestic violence experts with expertise in the delivery of direct services to victims of domestic violence, including using the staff of shelters for battered women in the presentation of the training. The initial training shall consist of instruction of not less than six (6) hours. Refresher training shall be required annually and shall consist of instruction of not less than three (3) hours.

SECTION 7. IC 22-4-18-6, AS AMENDED BY P.L.127-2005, SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The department shall develop a uniform system for assessing workforce skills strengths and weaknesses in individuals.

(b) The uniform assessment system shall be used at the following:

(1) ~~Workforce development~~ **One stop** centers under IC 22-4-42, if established.

~~(2) Ivy Tech Community College of Indiana under IC 20-12-61.~~

~~(3) (2)~~ **(2)** Vocational education (as defined in IC 22-4.1-13-5) programs at the secondary level.

SECTION 8. IC 22-4-18.1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this

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chapter, "council" refers to the state ~~human resource investment~~ **workforce innovation** council established by section 3 of this chapter.

SECTION 9. IC 22-4-18.1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The state ~~human resource investment~~ **workforce innovation** council is established pursuant to ~~29 U.S.C. 1501 et seq.~~ **under the applicable federal programs** to do the following:

(1) Review the services and use of funds and resources under applicable federal programs and advise the governor on methods of coordinating the services and use of funds and resources consistent with the laws and regulations governing the particular applicable federal programs.

(2) Advise the governor on:

(A) the development and implementation of state and local standards and measures; and

(B) the coordination of the standards and measures; concerning the applicable federal programs.

(3) Perform the duties as set forth in federal law of the particular advisory bodies for applicable federal programs described in section 4 of this chapter.

(4) Identify the ~~human investment~~ **workforce** needs in Indiana and recommend to the governor goals to meet the investment needs.

(5) Recommend to the governor goals for the development and coordination of the human resource system in Indiana.

(6) Prepare and recommend to the governor a strategic plan to accomplish the goals developed under subdivisions (4) and (5).

(7) Monitor the implementation of and evaluate the effectiveness of the strategic plan described in subdivision (6).

(8) Advise the governor on the coordination of federal, state, and local education and training programs and on the allocation of state and federal funds in Indiana to promote effective services, service delivery, and innovative programs.

(9) Administer the minority training grant program established by section 11 of this chapter.

(10) Administer the back home in Indiana program established by section 12 of this chapter.

(11) Any other function assigned to the council by the governor with regard to the study and evaluation of Indiana's ~~human service~~ **workforce development** delivery system.

SECTION 10. IC 22-4-18.1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The council

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shall serve as the state advisory body required under the following federal laws:

- (1) The Workforce Investment Act of 1998 under 29 U.S.C. 2801 et seq., **including reauthorizations of the Act.**
- (2) The Wagner-Peyser Act under 29 U.S.C. 49 et seq.
- (3) The Carl D. Perkins Vocational and Applied Technology Act under 20 U.S.C. 2301 et seq.
- (4) The Adult Education and Family Literacy Act under 20 U.S.C. 9201 et seq.

(b) In addition, the council may be designated to serve as the state advisory body required under any of the following federal laws upon approval of the particular state agency directed to administer the particular federal law:

- (1) The National and Community Service Act of 1990 under 42 U.S.C. 12501 et seq.
- (2) Part A of Title IV of the Social Security Act under 42 U.S.C. 601 et seq.
- (3) The employment and training ~~program~~ **programs** established under the Food Stamp Act of 1977 under ~~7 U.S.C. 2015~~ **7 U.S.C. 2011 et seq.**

(c) The council shall administer the minority training grant program established by section 11 of this chapter and the back home in Indiana program established by section 12 of this chapter.

SECTION 11. IC 22-4-18.1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. ~~(a) Not later than June 30, 2000~~ The membership of the state ~~human resource investment~~ **workforce innovation** council established under IC 22-4-18.1 ~~must consist~~ **section 3 of this chapter consists** of the following:

- ~~(1) The governor;~~
- ~~(2) Two (2) members of the senate; appointed by the president pro tempore of the senate. The members appointed under this subdivision may not be members of the same political party;~~
- ~~(3) Two (2) members of the house of representatives; appointed by the speaker of the house of representatives. The members appointed under this subdivision may not be members of the same political party;~~
- ~~(4) The following members appointed by the governor:~~
  - ~~(A) Representatives of business in Indiana who:~~
    - ~~(i) are owners of businesses; chief executives; or operating officers of businesses; and other business executives or employers with optimum policy making or hiring authority; including members of regional boards under~~

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IC 22-4.5-3-3(b)(1)(A) (as described in Section 117(b)(2)(A)(i) of the Workforce Investment Act of 1998);  
 (ii) represent businesses with employment opportunities that reflect the employment opportunities of Indiana; and  
 (iii) are appointed from among individuals nominated by state business organizations and business trade associations.

(B) Chief elected officials representing municipalities and counties.

(C) Representatives of labor organizations who have been nominated by the Indiana State AFL-CIO.

(D) Representatives of individuals and organizations that have experience with respect to youth activities.

(E) Representatives of individuals and organizations that have experience and expertise in the delivery of workforce investment activities, including chief executive officers of any community colleges established in Indiana and community-based organizations in Indiana.

(F) Lead state officials with responsibility for the programs, services, and activities described in Section 121(b) of the Workforce Investment Act of 1998 and carried out by one stop partners or, if there is no lead state official with responsibility for such a program, service, or activity, a person with expertise relating to the program, service, or activity.

(G) Other representatives and state officials designated by the governor.

(b) The governor shall appoint as chairman of the council a member described in subsection (a)(4)(A).

(c) A majority of the members of the council must be members described in subsection (a)(4)(A).

(d) At least fifteen percent (15%) of the members of the council must be representatives of labor.

(e) Members of the council that represent organizations, agencies, or other entities shall be individuals with optimum policy making authority within the organizations, agencies, or entities. The members of the council must represent diverse regions of Indiana, including urban, rural, and suburban areas.

**the representatives required by the Workforce Investment Act (29 U.S.C. 2801 et seq.), including reauthorizations of the Act, and must represent the diverse regions of Indiana.**

SECTION 12. IC 22-4-18.1-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. Appointments

(a) The governor shall appoint members to the council ~~are~~ for two

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(2) year terms. **The terms must be staggered so that the terms of half of the members expire each year.**

(b) The governor shall promptly make an appointment to fill any vacancy **on the council**, but only for the duration of the unexpired term.

SECTION 13. IC 22-4-18.1-6.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 6.5. (a) This section applies to a meeting of the council at which at least twenty-one (21) members of the council are physically present at the place where the meeting is conducted.**

(b) A member of the council may participate in a meeting of the council using a means of communication that permits:

(1) all other members of the council participating in the meeting; and

(2) all members of the public physically present at the place where the meeting is conducted;

to simultaneously communicate with each other during the meeting.

(c) A member who participates in a meeting under subsection (b) is considered to be present at the meeting and may vote on any matter properly presented during the meeting.

(d) A member who participates in a meeting under subsection (b) shall confirm in writing not more than five (5) days after the date of the meeting the votes cast by the member during the meeting. The member may send the confirmation by United States mail or facsimile.

(e) A member shall attend at least three (3) meetings of the council during a calendar year in person.

(f) The memorandum of the meeting prepared under IC 5-14-1.5-4 must also state the name of each member who:

(1) was physically present at the place where the meeting was conducted;

(2) participated in the meeting using a means of communication described in subsection (b); and

(3) was absent.

SECTION 14. IC 22-4-18.1-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) Except as provided in ~~subsections~~ **subsection (b) and (c)** and subject to the approval of the commissioner of **the department of** workforce development, the state personnel department, and the budget agency, the council may employ professional, technical, and clerical personnel

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necessary to carry out the duties imposed by this chapter ~~from using~~  
**the following:**

- (1) Funds available under applicable federal and state programs.
- (2) Appropriations by the general assembly for this purpose.
- (3) Funds in the state technology advancement and retention account established by IC 4-12-12-1. ~~and any~~
- (4) Other funds (other than federal funds) available to the council for this purpose.

(b) Subject to the approval of the commissioner of **the department** of workforce development and the budget agency, the council may contract for services necessary to implement this chapter.

~~(c) The budget agency shall serve as the fiscal agent for the distribution of all funds of the council.~~

**(c) The council is subject to:**

- (1) the allotment system administered by the budget agency;**
- and**
- (2) financial oversight by the office of management and budget.**

SECTION 15. IC 22-4-35-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. In any civil action to enforce the provisions of this article, the department, commissioner, state ~~human resource investment~~ **workforce innovation** council, unemployment insurance board, unemployment insurance review board, and the state may be represented by any qualified attorney who is a regular salaried employee of the department and is designated by it for this purpose or, at the director's request, by the attorney general of the state. In case the governor designates special counsel to defend, on behalf of the state, the validity of this article, the expenses and compensation of such special counsel and of any experts employed by the commissioner in connection with such proceedings may be charged to the employment and training services administration fund.

SECTION 16. IC 22-4-41-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. Any appropriations made by the general assembly **under this chapter** shall be used for the provision of training and services for dislocated workers and may be used as matching funds for ~~the federal Job Training Partnership Act.~~ **any future applicable federal program administered by the department.**

SECTION 17. IC 22-4-42-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The department may establish at least one (1) ~~workforce development one stop~~ **center**

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1 within each **workforce** service ~~delivery~~ area.

2 SECTION 18. IC 22-4-42-2 IS AMENDED TO READ AS  
3 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. If established,  
4 each ~~workforce development~~ **one stop** center shall do the following:

5 (1) Provide the uniform assessment developed by the department  
6 under IC 22-4-18-6 of an individual's strengths and weaknesses  
7 with regard to workforce and other skills and offer job counseling  
8 that is relevant to the assessment results.

9 (2) Provide information concerning training, retraining,  
10 employment, and career opportunities.

11 ~~(3) Under the administration of the department of workforce~~  
12 ~~development, provide opportunities to individuals to:~~

13 ~~(A) demonstrate proficiency in particular subject and skill~~  
14 ~~areas; and~~

15 ~~(B) acquire certificates of achievement under IC 20-12-1-10.~~

16 ~~(4)~~ (3) Assist employers in analyzing the correlation between a  
17 particular job opening and the training required to perform at that  
18 job.

19 SECTION 19. IC 22-4.1-3-4 IS AMENDED TO READ AS  
20 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. Funds necessary  
21 to support the operating costs of the department of workforce  
22 development beyond those approved and appropriated by the United  
23 States Congress or approved by federal agencies for the operation of  
24 the department and specifically authorized by other provisions of  
25 IC 22-4:

26 (1) must be specifically appropriated from the state general fund  
27 for this purpose; and

28 (2) may not be derived from other state or federal funds directed  
29 for unemployment insurance programs under IC 22-4, including  
30 funds under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), ~~the Job~~  
31 ~~Training Partnership Act (29 U.S.C. 1501 et seq.)~~ any other grants  
32 or funds that are passed through for job training programs, the  
33 Carl D. Perkins Vocational and Applied Technology Act (20  
34 U.S.C. 2301 et seq.), and any other grant or funds for vocational  
35 and technical education.

36 SECTION 20. IC 22-4.1-5-4 IS AMENDED TO READ AS  
37 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. This chapter  
38 does not apply to grants awarded to:

39 (1) ~~service delivery areas (as defined in 29 U.S.C. 1501 et seq.);~~  
40 **workforce investment boards (as defined in IC 22-4.5-2-13.5);**

41 (2) public schools and school corporations (as defined in  
42 ~~IC 20-10.1-1-5); IC 20-18-2); or~~

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(3) state educational institutions (as defined in IC 20-12-0.5-1).

SECTION 21. IC 22-4.1-13-2, AS ADDED BY P.L.1-2005, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this chapter, "council" refers to the state ~~human resource investment~~ **workforce innovation** council established by IC 22-4-18.1-3.

SECTION 22. IC 22-4.1-13-3, AS ADDED BY P.L.1-2005, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. As used in this chapter, "employment training" means all programs administered by the following:

(1) The council.

(2) The Indiana jobs training program.

(3) The department.

~~(4) A private industry council (as defined in 29 U.S.C. 1501 et seq.).~~

SECTION 23. IC 22-4.5-2-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 2.5. "Corporation" refers to the Indiana economic development corporation established by IC 5-28-3-1.**

SECTION 24. IC 22-4.5-2-5.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 5.5. "Local elected official" means:**

(1) **an elected executive of a second or third class city that has a population of at least five thousand (5,000) and is located in a regional workforce area; or**

(2) **an elected member of the executive body of a county.**

SECTION 25. IC 22-4.5-2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. "One stop center" means a physical location that:

(1) provides access to all one stop services; ~~and one stop partners~~

(2) is certified by the ~~regional~~ **state** board; and

(3) includes an onsite information resource area that meets minimum criteria established by the department.

SECTION 26. IC 22-4.5-2-8.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8.5. "Political subdivision" has the meaning set forth in IC 36-1-2-13.**

SECTION 27. IC 22-4.5-2-9.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 9.3. "Regional operator"**

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means a person (as defined in IC 22-4-11.5-3) selected under IC 22-4.5-7-5.

SECTION 28. IC 22-4.5-2-9.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 9.5. "Regional workforce area" means an area designated by the corporation under IC 22-4.5-7-1.**

SECTION 29. IC 22-4.5-2-9.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 9.7. "Regional workforce board" means a regional workforce board established under IC 22-4.5-7-2.**

SECTION 30. IC 22-4.5-2-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 13. "Workforce Investment Act" refers to the federal Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.), including reauthorizations of the Act.**

SECTION 31. IC 22-4.5-2-13.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 13.5. "Workforce investment board" means a local board as defined in the Workforce Investment Act (29 U.S.C. 2801 et seq.), including reauthorizations of the Act.**

SECTION 32. IC 22-4.5-7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

**Chapter 7. Regional Workforce System**

**Sec. 1. (a) After consultation with the department, the corporation shall designate not more than eleven (11) distinct regional workforce areas throughout Indiana.**

**(b) In designating a regional workforce area, the corporation shall take into account whether an area is a distinct economic growth region as well as a workforce area.**

**Sec. 2. (a) A regional workforce board shall oversee each regional workforce area.**

**(b) Each regional workforce board consists of not more than sixteen (16) members and must include the following:**

**(1) At least one (1) business representative who is:**

**(A) a business owner;**

**(B) a chief executive or operating officer; or**

**(C) a business executive or employer with optimum policy making or hiring authority.**

**(2) Four (4) nonbusiness representatives, one (1) from each of**

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the following categories:

(A) An economic development agency.

(B) A local educational entity.

(C) A community based or faith based organization.

(D) A labor organization. If there are no employees in the regional workforce area who are represented by a labor organization, the member selected in this category must be a representative of:

(i) the employees in the regional workforce area; or

(ii) a statewide labor organization.

(c) The nonbusiness representatives described in subsection (b)(2) are selected and appointed as members of each regional workforce board in the following manner:

(1) The mayor of the largest city in the regional workforce area shall select and appoint one (1) member from any of the four (4) categories listed in subsection (b)(2).

(2) If the second largest city in the regional workforce area has a population greater than eight thousand (8,000), the mayor of the second largest city shall select and appoint one (1) member from any of the three (3) remaining categories listed in subsection (b)(2).

(3) If the third largest city in the regional workforce area has a population greater than eight thousand (8,000), the mayor of the third largest city shall select and appoint one (1) member from either of the two (2) remaining categories listed in subsection (b)(2).

(4) If the fourth largest city in the regional workforce area has a population greater than eight thousand (8,000), the mayor of the fourth largest city shall select and appoint one (1) member from the remaining category listed in subsection (b)(2).

(d) If a regional workforce area contains fewer than four (4) cities having a population greater than eight thousand (8,000), the selection and appointment of the nonbusiness representatives as members to a regional workforce board occurs as described in subsection (c) with the mayors of the cities having a population greater than eight thousand (8,000) alternately selecting and appointing the members.

(e) The business representatives described in subsection (b)(1) are selected and appointed as members of each regional workforce board in the following manner:

(1) Each county in the regional workforce area shall appoint,

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by majority agreement of all the local elected officials in that county, one (1) business representative who meets the requirements of subsection (b)(1).

(2) The mayor of each city having a population greater than one hundred thousand (100,000) in the regional workforce area shall appoint one (1) additional business representative who meets the requirements of subsection (b)(1).

(3) The mayor of each city having a population greater than five hundred thousand (500,000) in the regional workforce area shall appoint one (1) additional business representative who meets the requirements of subsection (b)(1).

(f) If the selection and appointment process described in subsections (c) through (e) results in fewer than sixteen (16) members being appointed to a regional workforce board, the local elected officials in the regional workforce area may, by majority agreement, appoint additional business representatives who meet the requirements of subsection (b)(1) until the sixteen (16) member limit is reached.

(g) If a political subdivision requests and is granted an automatic designation as a workforce investment board under federal law, the executive of the political subdivision may not appoint members to a regional workforce board under subsections (c) through (f).

Sec. 3. The duties of a regional workforce board include the following:

- (1) Providing guidance and direction to the workforce investment system.
- (2) Providing support and guidance described in section 4 of this chapter to a workforce investment board.
- (3) Performing additional duties in the regional workforce area as assigned by a workforce investment board.

Sec. 4. In addition to the duties described in section 3 of this chapter, each regional workforce board shall advise the workforce investment board in the regional workforce area on regional workforce area issues and provide support to the workforce investment board as follows:

- (1) Select and enter into an agreement with a regional operator on behalf of its workforce investment board at least every three (3) years using a competitive procurement process.
- (2) Select Workforce Investment Act services, other employment and training services as determined by the

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department, and service providers on behalf of its workforce investment board at least every three (3) years using a competitive procurement process.

(3) Oversee on behalf of its workforce investment board the activities of the regional operator in the regional workforce area.

(4) Develop an outcome based regional plan that encourages the integration of service delivery.

(5) Perform additional duties as requested by the workforce investment board.

Sec. 5. (a) A workforce investment board and its regional workforce board must comply with this section when selecting a regional operator to provide:

(1) support services for a regional workforce area; and

(2) operational oversight and management for:

(A) the one stop centers; and

(B) the workforce investment system;

in a regional workforce area.

(b) A regional workforce board, with the consent of a workforce investment board, may establish agreements with a regional operator for support services on behalf of the workforce investment board in the regional workforce area.

(c) A regional workforce board may assist a workforce investment board in establishing agreements with a regional operator for support services for the workforce investment board in the regional workforce area.

(d) An agreement established under this section must be the result of a competitive procurement process as determined by the workforce investment board.

Sec. 6. A person who serves as a regional workforce board member may not at the same time serve as:

(1) a regional operator;

(2) a fiscal agent;

(3) a service provider; or

(4) a provider of direct client services.

Sec. 7. (a) A person who serves as a regional operator may also serve as a fiscal agent.

(b) A person who serves as a regional operator may not at the same time serve as:

(1) a service provider within the same regional workforce area;

(2) a regional workforce board member; or

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(3) a provider of direct client services.

**Sec. 8. A person who serves as a service provider may not at the same time serve as:**

(1) a regional operator;

(2) a fiscal agent; or

(3) a regional workforce board member.

**Sec. 9. (a) A person who serves as a fiscal agent may also serve as a regional operator.**

**(b) A person who serves as a fiscal agent may not at the same time serve as:**

(1) a service provider;

(2) a regional workforce board member; or

(3) a provider of direct client services.

**Sec. 10. The department may adopt rules under IC 4-22-2 to implement this chapter.**

SECTION 33. IC 22-4.5-8 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

**Chapter 8. Allocation of Funds to Regional Workforce Boards**

**Sec. 1. The department and the council shall allocate federal workforce development and employment and training services funds to the workforce investment boards for distribution to the regional workforce boards in accordance with the requirements of federal workforce development and employment and training laws.**

SECTION 34. THE FOLLOWING ARE REPEALED [EFFECTIVE UPON PASSAGE]: IC 22-4-40; IC 22-4-41-3; IC 22-4-42-3; IC 22-4-42-4; IC 22-4.5-2-2; IC 22-4.5-2-7; IC 22-4.5-2-8; IC 22-4.5-2-9; IC 22-4.5-2-10; IC 22-4.5-2-11; IC 22-4.5-2-12; IC 22-4.5-2-14; IC 22-4.5-3; IC 22-4.5-4; IC 22-4.5-5; IC 22-4.5-6.

**SECTION 35. [EFFECTIVE UPON PASSAGE] (a) Notwithstanding IC 22-4.5-7-7, as added by this act, the commissioner of the department of workforce development shall carry out the duties imposed upon the department of workforce development under IC 22-4.5-7, as added by this act, under interim written guidelines approved by the commissioner of the department of workforce development.**

**(b) This SECTION expires on the earlier of the following:**

(1) The date rules are adopted under IC 22-4.5-7-7, as added by this act.

(2) July 1, 2007.

**SECTION 36. An emergency is declared for this act.**

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## SENATE MOTION

Madam President: I move that Senator Lubbers be added as coauthor of Senate Bill 370.

KRUSE

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 COMMITTEE REPORT

Madam President: The Senate Committee on Economic Development and Technology, to which was referred Senate Bill No. 370, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 10, between lines 10 and 11, begin a new paragraph and insert:

"SECTION 13. IC 22-4-18.1-6.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 6.5. (a) This section applies to a meeting of the council at which at least four (4) members of the council are physically present at the place where the meeting is conducted.**

**(b) A member of the council may participate in a meeting of the council using a means of communication that permits:**

**(1) all other members of the council participating in the meeting; and**

**(2) all members of the public physically present at the place where the meeting is conducted;**

**to simultaneously communicate with each other during the meeting.**

**(c) A member who participates in a meeting under subsection (b) is considered to be present at the meeting and may vote on any matter properly presented during the meeting.**

**(d) The memorandum of the meeting prepared under IC 5-14-1.5-4 must also state the name of each member who:**

**(1) was physically present at the place where the meeting was conducted;**

**(2) participated in the meeting using a means of communication described in subsection (b); and**

**(3) was absent."**

Page 12, line 34, after "executive of a" insert "**second or third class**".

Page 12, line 35, delete "(5,000);" and insert "**(5,000) and is located**

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**in a regional workforce area;**".

Page 14, line 11, after "based" insert "**or faith based**".

Page 15, line 6, delete "All of the local elected officials" and insert "**Each county**".

Page 15, line 7, delete "agreement," and insert "**agreement of all the local elected officials in that county,**".

Page 15, line 11, delete "five" and insert "**one**".

Page 15, line 11, delete "(500,000)" and insert "**(100,000)**".

Page 15, line 15, delete "one" and insert "**five**".

Page 15, line 15, delete "(100,000)" and insert "**(500,000)**".

Page 16, line 1, delete "Assist in the selection of" and insert "**Select**".

Page 16, line 1, after "operator" insert "**on behalf of its workforce investment board**".

Page 16, line 3, delete "Assist in the selection of" and insert "**Select**".

Page 16, line 5, after "providers" insert "**on behalf of its workforce development board**".

Page 16, line 8, delete "Assist in the oversight of" and insert "**Oversee on behalf of its workforce investment board**".

Page 16, line 10, delete "Assist in the development of" and insert "**Develop an**".

Page 16, line 10, delete "plans" and insert "**plan**".

Page 16, line 11, delete "encourage" and insert "**encourages**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 370 as introduced.)

FORD, Chairperson

Committee Vote: Yeas 5, Nays 4.

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#### SENATE MOTION

Madam President: I move that Senator Delph be added as coauthor of Senate Bill 370.

KRUSE

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SENATE MOTION

Madam President: I move that Senate Bill 370 be amended to read as follows:

Page 4, line 12, after "Act," insert "**and**".

Page 4, line 13, delete ", and the employment and training" and insert ".".

Page 4, delete lines 14 through 16.

Page 6, line 29, reset in roman "six (6)".

Page 6, line 29, delete "three (3)".

Page 6, line 30, reset in roman "annually".

Page 6, line 30, delete "every two (2) years".

Page 6, line 31, reset in roman "three (3) hours".

Page 6, line 31, delete "one (1) hour." and insert ".".

Page 8, line 21, delete ":".

Page 8, line 22, delete "(A)".

Page 8, line 22, beginning with "the Food", begin a new line blocked left.

Page 8, line 23, delete "; and".

Page 8, delete lines 24 through 25.

Page 13, line 22, reset in roman "physical".

Page 13, line 25, reset in roman "onsite".

Page 14, line 40, after "of" insert ":

**(i)**".

Page 14, line 41, after "area" delete "." and insert "; **or**

**(ii) a statewide labor organization.**".

(Reference is to SB 370 as printed January 20, 2006.)

KRUSE

SENATE MOTION

Madam President: I move that Senator Howard be added as coauthor of Engrossed Senate Bill 370.

KRUSE



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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Employment and Labor, to which was referred Senate Bill 370, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 4, line 34, after "delegation of" insert **"its"**.

Page 5, line 3, after "private" insert **"for-profit or nonprofit"**.

Page 6, line 2, after "IC 22-4.1-13-13" insert **"-"**.

Page 8, line 18, after "7 U.S.C. 2015" insert **"-"**.

Page 10, line 8, delete "four (4)" and insert **"twenty-one (21)"**.

Page 10, between lines 21 and 22, begin a new paragraph and insert:

**"(d) A member who participates in a meeting under subsection (b) shall confirm in writing not more than five (5) days after the date of the meeting the votes cast by the member during the meeting. The member may send the confirmation by United States mail or facsimile.**

**(e) A member shall attend at least three (3) meetings of the council during a calendar year in person."**

Page 10, line 22, delete "(d)" and insert **"(f)"**.

Page 11, between lines 5 and 6, begin a new paragraph and insert:

**"(c) The council is subject to:**

**(1) the allotment system administered by the budget agency; and**

**(2) financial oversight by the office of management and budget."**

Page 11, line 25, delete "program." and insert **"program administered by the department."**

Page 12, line 28, delete "IC 20-18-2;" and insert **"IC 20-18-2);"**.

Page 13, line 8, delete "RED" and insert **"READ"**.

Page 13, line 28, after "person" insert **"(as defined in IC 22-4-11.5-3)"**.

Page 14, line 16, delete "service area" and insert **"region"**.

Page 14, line 16, after "well" insert **"as"**.

Page 14, line 16, delete "development".

Page 16, line 21, after "Select" insert **"and enter into an agreement with"**.

Page 16, line 27, delete "development" and insert **"investment"**.

Page 16, line 36, delete "or" and insert **"and"**.

Page 16, line 36, delete "designee" and insert **"regional workforce board"**.

Page 17, line 13, delete "A person may not:" and insert **"A person**

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who serves as a regional workforce board member may not at the same time serve as:

- (1) a regional operator;
- (2) a fiscal agent;
- (3) a service provider; or
- (4) a provider of direct client services.

Sec. 7. (a) A person who serves as a regional operator may also serve as a fiscal agent.

(b) A person who serves as a regional operator may not at the same time serve as:

- (1) a service provider within the same regional workforce area;
- (2) a regional workforce board member; or
- (3) a provider of direct client services.

Sec. 8. A person who serves as a service provider may not at the same time serve as:

- (1) a regional operator;
- (2) a fiscal agent; or
- (3) a regional workforce board member.

Sec. 9. (a) A person who serves as a fiscal agent may also serve as a regional operator.

(b) A person who serves as a fiscal agent may not at the same time serve as:

- (1) a service provider;
- (2) a regional workforce board member; or
- (3) a provider of direct client services."

Page 17, delete lines 14 through 18.

Page 17, line 19, delete "Sec. 7." and insert "**Sec. 10.**".

Page 17, line 25, delete "To the extent possible and as applicable, the" and insert "**The**".

Page 17, line 30, delete "law." and insert "**laws.**".

and when so amended that said bill do pass.

(Reference is to SB 370 as reprinted January 25, 2006.)

TORR, Chair

Committee Vote: yeas 7, nays 5.

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